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DEPARTMENT OF AUDITOR-CONTROLLER**


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July 2, 2007

TO: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley   
Auditor-Controller

SUBJECT: **SOUTHEAST AREA SOCIAL SERVICES FUNDING AUTHORITY –  
REGIONAL WORKFORCE GROUPS CONTRACT - WORKFORCE  
INVESTMENT ACT PROGRAMS**

We have conducted a program, fiscal and administrative contract review of Southeast Area Social Services Funding Authority – Regional Workforce Groups (SASSFA- RWG or Agency), a Workforce Investment Act (WIA) service provider.

**Background**

The Department of Community and Senior Services (DCSS) contracts with SASSFA – RWG, a private non-profit organization, to provide and operate the WIA Adult, Dislocated Worker, Rapid Response and Youth Programs. The WIA Adult and Dislocated Worker Programs assist individuals obtain employment, retain their jobs and increase their earnings. The WIA Rapid Response Program provides assistance to companies that are facing a reduction in their work force and assists the soon-to-be dislocated workers cope with career transitions by providing orientation seminars, workshops and materials. The WIA Youth Program is a comprehensive training and employment program for in-school and out-of-school youth ages 14 to 21 years old. SASSFA - RWG's offices are located in the First and Fourth Districts.

SASSFA - RWG is compensated on a cost reimbursement basis. SASSFA - RWG's contract for Fiscal Year 2005-06 was for approximately \$2 million.

*"To Enrich Lives Through Effective and Caring Service"*

### **Purpose/Methodology**

The purpose of the review was to determine whether SASSFA - RWG complied with its contract terms and appropriately accounted for and spent WIA funds in providing services to eligible participants. We also evaluated the adequacy of the Agency's accounting records, internal controls and compliance with federal, State and County guidelines.

### **Results of Review**

SASSFA – RWG billed DCSS approximately \$11,000 for expenditures that were not supported or allowable. For example, SASSFA - RWG purchased ten computers totaling \$10,953, without prior written approval from DCSS as required by the County contract.

In addition, SASSFA – RWG did not always comply with WIA guidelines or County contract requirements. Specifically, SASSFA – RWG:

- Did not accurately report program activities on the Job Training Automation system for 20 (67%) of the 30 adult, dislocated worker, and youth participants sampled.
- Did not complete the Individual Employment Plan for seven (35%) of the 20 Adult and Dislocated Worker participants sampled.
- Did not follow up with seven (60%) of the ten exited Adult, Dislocated Worker and Youth participants sampled.
- Billed DCSS based on estimated payroll expenses not actual expenditures as required by the County contract.
- Did not discuss the Individual Service Strategy plan on a monthly basis with seven (70%) of the ten youth participants sampled.
- Did not administer the post-assessment exams within the required timeframe for nine (90%) of the 10 youth participants sampled.

Details of our review along with recommendations for corrective action are attached.

### **Review of Report**

We discussed our report with SASSFA – RWG on May 3, 2007. In their attached response, SASSFA – RWG disagreed with a number of recommendations in the report, indicating that the majority of the findings in the report were never brought to their

attention and that the delay in receiving the draft report almost a year after the on-site visit made the task of responding somewhat difficult. We acknowledge that the issuance of the report was delayed. However, we reviewed each finding addressed in this report with SASSFA – RWG management on June 16, 2006 and May 3, 2007, at which time the Agency's management concurred with our findings and agreed to provide additional documentation to resolve the findings. As indicated in our report, the additional documentation provided after our review was addressed accordingly.

SASSFA – RWG also believes that the County contract requirement of requesting approval from DCSS for purchases of supplies within the last two months of the fiscal year does not apply to them. However, according to DCSS, this requirement does apply to all contractors under the County contract.

We notified DCSS of the results of our review. We will follow up our recommendations during next year's monitoring review. We thank SASSFA - RWG for their cooperation and assistance during this review. Please call me if you have any questions or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

- c: David E. Janssen, Chief Executive Officer  
Cynthia Banks, Director, Department of Community and Senior Services  
Kirk Kain, Executive Director, Southeast Area Social Services Funding Authority  
Public Information Office  
Audit Committee

**WORKFORCE INVESTMENT ACT PROGRAMS  
SOUTHEAST AREA SOCIAL SERVICES FUNDING AUTHORITY –  
REGIONAL WORKFORCE GROUPS  
FISCAL YEAR 2005-06**

**ELIGIBILITY**

**Objective**

Determine whether Southeast Area Social Services Funding Authority – Regional Workforce Groups (SASSFA - RWG or Agency) provided services to individuals that meet the eligibility requirements of the Workforce Investment Act (WIA).

**Verification**

We selected a sample of 30 (7%) participants (10 adults, 10 dislocated workers and 10 youths) from a total of 457 participants that received services between July 2005 and June 2006. We reviewed the 30 case files for documentation to confirm their eligibility for WIA services.

**Results**

SASSFA - RWG did not maintain appropriate documentation to support the eligibility for program services for two (7%) of the 30 participants sampled. Specifically, SASSFA – RWG did not obtain proof of income or maintain appropriate documentation to support the employability of the participants as required by WIA guidelines.

Subsequent to our review, SASSF – RWG obtained and provided additional documentation to support the eligibility of the two participants.

**Recommendation**

- 1. SASSFA - RWG management ensure that staff obtain the appropriate documentation from the participants to determine the participants' eligibility for program services prior to enrollment.**

**BILLED SERVICES/CLIENT VERIFICATION**

**Objective**

Determine whether the Agency provided the services in accordance with the County contract and WIA guidelines. In addition, determine whether the program participants received the billed services.

## Verification

We reviewed the documentation contained in the case files for 30 (7%) participants that received services during July 2005 through June 2006. We also interviewed a total of nine participants/guardians.

## Results

### Adult and Dislocated Worker Programs

The seven participants interviewed confirmed that the services they received met their expectations sampled. However, SASSFA – RWG did not always comply with WIA guidelines. Specifically, SASSFA – RWG did not:

- Complete the Individual Employment Plan (IEP) for seven (35%) of the 20 participants. The IEP is an on-going plan jointly developed by the participant and the case manager that identifies the participants' employment goals, achievement objectives and the services needed to achieve their employment goals.
- Accurately report program activities and supportive services provided to participants on the Job Training Automation (JTA) system for 12 (60%) of the 20 participants sampled. The JTA system is used by the State of California Employment Development Department and the Department of Labor to track WIA participant activities.
- Follow up on a quarterly basis with four (67%) of the six exited participants sampled.
- Obtain a signed grievance procedure form and nepotism form from one (5%) of the 20 participants sampled.

### Youth Program

The two participants/guardians interviewed confirmed that the services the participants received met their expectations. However, SASSFA – RWG did not always comply with WIA guidelines. Specifically, SASSFA – RWG did not:

- Discuss the Individual Service Strategy (ISS) plan on a monthly basis with seven (70%) of the ten participants sampled. The ISS plan is used to track the needs and services of the program participants and their progress towards achieving established goals.
- Administer the post-assessment exams within one year of the pre-assessment exams for nine (90%) of the ten participants sampled.

- Report the program activities, such as supportive services, incentives and leadership activities on the JTA system for eight (80%) of the ten participants sampled.
- Maintain a signed incentive policy in one (10%) of the ten participants' case files sampled to support the incentives provided to the participants, totaling \$50.
- Follow up with three (75%) of the four exited participants sampled.

In addition to the sampled participants, we noted that SASSFA – RWG also did not report supportive services provided to one participant on the JTA system during our review of expenditures.

### **Recommendations**

#### **SASSFA – RWG management:**

2. **Repay \$50.**
3. **Ensure that documentation is maintained in the participants' case files to support services provided and expenses incurred.**
4. **Ensure that staff complete the IEP for all program participants.**
5. **Ensure that staff accurately update the JTA system to reflect the participants' program activities.**
6. **Ensure that staff adequately follow up with exited participants in accordance with WIA guidelines.**
7. **Ensure that staff obtain all the required documentations from program participants.**
8. **Ensure that staff discuss ISS plan with Youth participant on a monthly basis.**
9. **Ensure that the post-assessment exam is administered within one year of the pre-assessment.**

### **CASH/REVENUE**

#### **Objective**

Determine whether cash receipts and revenues are properly recorded in the Agency's records and deposited timely in their bank account. Determine whether there are adequate controls over cash, petty cash and other liquid assets.

**Verification**

We interviewed Agency personnel and reviewed financial records. We also reviewed SASSFA- RWG's bank reconciliation for April 2006.

**Results**

SASSFA - RWG maintained adequate controls to ensure that revenue was properly recorded and deposited in a timely manner.

**Recommendation**

**There are no recommendations for this section.**

**EXPENDITURES/PROCUREMENT****Objective**

Determine whether program related expenditures are allowable under the County contract, properly documented and accurately billed.

**Verification**

We interviewed Agency personnel, reviewed financial records and reviewed documentation for 125 (19%) of the 676 non-personnel expenditures transactions billed by the Agency for January 2006, totaling \$30,119.

**Results**

SASSFA - RWG incorrectly billed DCSS \$511 for tuition costs and supportive services provided to non-WIA participants. In addition, SASSFA – RWG's employees did not provide adequate information on their mileage claims, such as odometer readings, purpose of the trip, and points of origin and destination, to support the mileage expenditures for January 2006, totaling \$205.

Subsequent to our review, SASSFA – RWG credited DCSS \$511 and reallocated the expenditures to the appropriate programs. In addition, SASSFA – RWG obtained and provided additional documentation, such as addresses of origin and destinations, to support the mileage expenditures.

**Recommendations****SASSFA - RWG management:**

- 10. Ensure that the mileage claims provide adequate information, such as odometer readings, purpose of the trip and points of origin and destination to support the mileage expenditures.**
- 11. Ensure that expenditures are billed to the appropriate programs.**

**INTERNAL CONTROLS/CONTRACT COMPLIANCE****Objective**

Determine whether the Agency maintained sufficient internal controls over its business operations. In addition, determine whether the Agency is in compliance with other program and administrative requirements.

**Verification**

We interviewed Agency personnel, reviewed their policies and procedures manuals, conducted an on-site visit and tested transactions in various non-cash areas such as expenditures, payroll and personnel.

**Results**

Generally, SASSFA – RWG maintained sufficient internal controls over its business operations. However, SASSFA - RWG did not always in compliance with County contract requirements. Specifically:

- SASSFA – RWG did not adequately monitor the subcontractor or have established policies and procedures for monitoring the subcontractor.
- SASSFA – RWG did not submit invoices to DCSS within five working days of the following month as required.
- SASSFA – RWG's procurement policy required only two price quotes for purchases under \$5,000. WIA guidelines require three price quotes be documented for purchases over \$1,000.



**Recommendations****SASSFA - RWG management:**

12. Adequately monitor the subcontractor and establish policies and procedures for monitoring the subcontractor to ensure compliance with County contract requirements.
13. Ensure that invoices are submitted to DCSS within the established timeframes.
14. Revise the Agency's procurement policy to comply with regulatory guidelines and distribute to personnel.

**FIXED ASSETS AND EQUIPMENT****Objective**

Determine whether SASSFA - RWG's fixed assets and equipment purchases made with WIA funds are used for the WIA programs and are safeguarded.

**Verification**

We interviewed Agency personnel and reviewed the Agency's equipment and inventory listing. In addition, we performed an inventory and reviewed the usage of 16 (3%) of the 60 items funded by the WIA programs.

**Results**

SASSFA – RWG safeguarded and used the equipment purchased with WIA funding for the WIA programs.

**Recommendation**

There are no recommendations for this section.

**PAYROLL AND PERSONNEL****Objective**

Determine whether payroll expenditures were appropriately charged to the WIA program. In addition, determine whether personnel files are maintained as required.

**Verification**

We traced and agreed the payroll expenditures for all 29 employees, totaling approximately \$85,430 to all the payroll records and time reports for January 2006. We also interviewed one staff and reviewed personnel files for five staff assigned to the WIA programs.

**Results**

SASSFA – RWG billed DCSS based on estimated amounts for 12 (41%) of the 29 employees' payroll expenditures and not on actual hours worked as required. According SASSFA – RWG management, payroll expenditures were billed based on a calculation using prior quarter's actual payroll allocation data. However, SASSFA – RWG did not adjust for actual hours worked in the subsequent month. According to Agency management, adjustments to actual hours worked are performed only at the end of the program year. During our next year's monitoring review, we will review fiscal year (FY) 2005-06 payroll expenditures to ensure that adjustments to actual hours worked were accurately made.

SASSFA – RWG also did not maintain proof of auto insurance or copies of the employees' driver's licenses in two (40%) of the five personnel files or annual performance evaluations in four (80%) of the five personnel files sampled. The annual performance evaluations were last conducted in 2004.

Subsequent to our review, SASSFA – RWG obtained and provided proof of auto insurance and copies of the employees' driver's licenses for the two employees.

**Recommendations****SASSFA – RWG management:**

- 15. Adjust payroll expenses for actual hours worked in the subsequent month or at minimum, on a quarterly basis.**
- 16. Ensure that personnel files are kept current with the required documentation.**
- 17. Ensure that the annual performance evaluations are completed in a timely manner.**

**COST ALLOCATION PLAN****Objective**

Determine whether the Agency's Cost Allocation Plan was prepared in compliance with the County contract and applied to program costs.

**Verification**

We reviewed SASSFA – RWG’s Cost Allocation Plan and a sample of expenditures incurred by the Agency during January 2006 to ensure that the expenditures were properly allocated to the Agency’s programs.

**Results**

As previously indicated, SASSFA – RWG’s payroll expenditures were based on budget not actual costs.

**Recommendation**

**Refer to recommendation #15.**

**CLOSE-OUT REVIEW****Objective**

Determine whether the Agency’s Fiscal Year (FY) 2004-05 final close-out invoice was reconciled to the agency’s financial accounting records.

**Verification**

We traced and agreed the Agency’s final close-out invoice for FY 2004-05 to the prior year’s General Ledger. In addition, reviewed prior year’s General Leger for any duplicate postings or any unallowable costs.

**Results**

SASSFA - RWG’s general ledger supported the Agency’s final close-out invoice for FY 2004-05. However, SASSFA - RWG purchased 10 computers in June 2005, totaling \$10,953, without prior written approval from DCSS. The County contract requires the contractor to complete all purchases of supplies before the last two months of the contract period and exceptions to this requirement requires prior written approval from DCSS.

**Recommendations**

**SASSFA – RWG management:**

- 18. Repay DCSS \$10,953 or obtain approval from DCSS.**
- 19. Ensure that supplies are not purchased within the last two months of the contract period without prior written approval from DCSS.**

**PRIOR YEAR FOLLOW-UP****Objective**

Determine the status of the recommendations reported in the prior monitoring review completed by a CPA firm contracted by the County.

**Verification**

We verified whether the outstanding recommendations from Fiscal Year (FY) 2004-05 monitoring review were implemented. The report was issued in February 2006.

**Results**

The prior year's monitoring report contained five recommendations. SASSFA – RWG implemented all five recommendations.

**Recommendation**

**There are no recommendations in this section.**



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June 07, 2007

County of Los Angeles  
Department of Auditor-Controller  
Attn: J. Tyler McCauley  
1000 S. Fremont Avenue, Suite #51  
Alhambra, CA 91803

**SUBJECT: SOUTHEAST AREA SOCIAL SERVICES FUNDING AUTHORITY-  
REGIONAL WORKFORCE GROUPS CONTRACT-WORKFORCE INVESTMENT ACT  
PROGRAMS**

Dear Mr. McCauley,

We have received the final draft of your program, fiscal and administrative review of the Southeast Area Social Services Funding Authority (SASSFA). The Review was conducted on June 12, 2006 through June 15, 2006, and an exit conference was held on June 16, 2006. The Draft Report was issued on April 2, 2007 and a final exit conference was held on May 3, 2007.

The delay in receiving a Draft report of almost a year after the on-site review has made the task of responding somewhat difficult, especially in light of the fact that the majority of the findings in the draft report were never brought to our attention during the exit conference held on June 16, 2006. We also find the review to be somewhat problematic, in that, in many instances the issues found in files could have been addressed in June 2006, while Auditors were on site reviewing these files. The delay in bringing the review issues to our attention makes it more difficult to respond. Moreover, in some cases, since so much time has passed it has been difficult to pinpoint exactly what the Auditing staff is questioning. Determining whether documentation was present at the time of the initial on-site review, almost a year after the visit took place, has been very challenging, although in many instances we have been able to provide the documentation in question. The delay in receiving the findings of almost a year has also delayed our ability to have rectified any deficiencies during that time, but fortunately the findings have been relatively minor and have not impacted the quality or scope of our services.

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<b>SASSFA</b> <b>Partners For Progress</b> <b>WorkSource Center</b> 10400 Pioneer Blvd., Suite 9 Santa Fe Springs, CA 90670 Tel: (562) 946-2237 Fax: (562) 946-5818	<b>Santa Fe Springs</b> <b>Youth Services</b> 10400 Pioneer Blvd., Suite 9 Santa Fe Springs, CA 90670 Tel: (562) 908-2901 Fax: (562) 908-7921	<b>Business Services</b> 10400 Pioneer Blvd., Suite 9 Santa Fe Springs, CA 90670 Tel: (562) 946-2237 Fax: (562) 946-5818	<b>Paramount – SASSFA</b> 15749 & 15751 California Ave. Paramount, CA 90723 Tel: (562) 633-9511 Fax: (562) 633-9514
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We are committed to improving our services based on the review and its findings. Below is our specific response to each finding.

#### **ELIGIBILITY**

##### **Recommendation**

1. **SASSFA-RWG management to ensure that staff obtain the appropriate documentation from the participants to determine the participant's eligibility for program services prior to enrollment.**

The review report makes the statement, "Subsequent to our review, SASSFA-RWG provided additional documentation to support the eligibility of the two participants." We contend this documentation was available to the auditors at the time of the on-site review, but this is difficult to determine since the draft report was issued almost a year later from the on-site review. We consider this finding to have already been addressed.

#### **BILLED SERVICES/CLIENT VERIFICATION**

##### **Recommendation**

2. **SASSFA-RWG Management repay \$50.**

We do not agree. This finding is in regards to maintaining a signed incentive policy in the participant's case file to support the incentives provided to the client. This (DIANA GOMEZ?- Linda?) signed incentive policy is available for review, and all supporting paperwork is complete to support this cost. We would be happy to provide the signed incentive policy to the auditors. Again, this paperwork was available at the initial on-site review for inspection, but we did not of this finding until the issuance of the review report- almost a year later.

##### **Recommendation**

3. **SASSFA-RWG management ensure that documentation is maintained in the participant's case files to support services provided and expenses incurred.**

**Response**

**4. SASSFA-RWG management ensure that staff complete the IEPs for all program participants.**

We agree to take corrective action by making the entries that may be necessary and appropriate for each IEP. Again, it is difficult to exactly pinpoint what corrections need to be made according to the auditors' findings, since so much time has passed between the on-site review and the receipt of the draft report with this finding. We have, however, directed our case managers to review their files, paying specific attention to those files in question, and they have reported finding the individual plans in compliance with County Directives. We also have directed our case managers to note specifically in their case notes how the contact specifically relates to the IEP. We will continue to monitor the IEPs for appropriate completion.

**Recommendation**

**5. SASSFA-RWG management ensure that staff accurately update the JTA system to reflect the participant's program activities.**

We are in agreement. The documentation for providing participants with small financial assistance such as bus tokens, food, gas cards, clothing, and similar items were proper WIA expenditures and, as such, were documented in the participants' files and fiscal records. The list of services by participants was not always entered into the County MIS system. This has, however, never been a finding in previous reviews. We have taken corrective action since the auditors brought it to our attention.

**Recommendation**

**1. SASSFA- management ensure that staff adequately follows up with the exited participants as required.**

We are in agreement the findings. We were short of staff at the time and we now have a staff person dedicated to performing follow-up services.

**Recommendation**

**2. SASSFA-RWG management ensure that staff obtain the required documentation from program participants.**

**Response**

We are in agreement. We did not have one of the grievance forms in a participant file. We will try to double check the work of our staff.

**3. SASSFA-RWG management ensure that staff discusses the ISS plan with Youth participant on a monthly basis.**

We agree to take corrective action, although we believe that this finding relates to the need for case managers to be more specific when documenting their contacts with program participants. That is, we contact clients about their program activities continuously from the time they are enrolled in our programs. For example, if we have clients attending vocational schools, we contact them regarding their attendance and school grades on at least a monthly basis. However, the case manager might not specifically indicate in the case notes that the contacts were for the purpose of assessing their progress toward their Individual Service Plan goals. We have directed our case managers to complete their case notes in this fashion.

**Recommendation**

**4. SASSFA-RWG management ensure that post-assessment exam is administered within one year of the pre-assessment.**

We agree with this finding, although most of the assessments were done. Part of the reality of dealing with youth, especially high-risk youth who are homeless or tend to relocate with no forwarding address, is that it is not always possible to have the youth come back in for their post-assessment exam despite our best efforts due to their personal circumstances. We will, however, make every effort to address this finding.

**EXPENDITURES/PROCUREMENT**

**Recommendation**

**5. SASSFA-RWG management ensure that mileage claims provide adequate information, such as odometer readings, purpose of the trip and points of origin and destination to support mileage expenses.**

SASSFA's mileage claim forms already contain information on purpose of the trip and points of origin and destination. The review report makes the statement, "In addition (subsequent to our review), SASSFA-RWG obtained and provided additional documentation, such as addresses of original and destinations, to support the mileage expenses". SASFA-RWG's has directed all staff to provide supporting documentation from services such as Yahoo Maps or MapQuest to further support the mileage claims. We consider this matter already addressed.



**Recommendation**

- 6. SASSFA-RWG management ensure that expenditures are billed to the appropriate programs.**

We agree that SASSFA-RWG incorrectly billed DCSS for tuition and supportive services provided to non-WIA clients. As the review states, "Subsequent to our review, SASSFA-RWG credited DCSS \$511 and reallocated the expenses to the appropriate programs." We believe this represents an honest mistake and is not reflective of the system as a whole. We consider this matter addressed and resolved.

**INTERNAL CONTROLS/CONTRACT COMPLIANCE**

**Recommendation**

- 7. SASSFA-RWG management adequately monitor the subcontractor and establish policies and procedures for monitoring the subcontractor to ensure compliance with County contract requirements.**

SASSFA-RWG already has policies and procedures in place to monitor subcontractors. The only subcontractors historically SASSFA-RWG has used are for the summer Youth program. This program has shrunk dramatically in the past five years, and currently represents only a very small amount, less than \$2,400 per contractors. We did interview participants and employers during FY 05-06 but did not perform a comprehensive full-blown audit due to the relatively small amount of monies involved. We are facing out tall Summer Youth Employment contracting for the 2007 Summer Program.

- 8. SASSFA-RWG management to ensure that invoices are submitted to DCSS within the established timeframes.**

We agree with this finding, and the agency did have some difficulty in the past submitting timely invoices. This issue, however, has been corrected and invoices are currently being submitted on time.

- 9. SASSFA-RWG management to revise the Agency's procurement policy to comply with regulatory guidelines and distribute to personnel.**

We agree with this finding and will be seeking SASSFA's Board of Director's approval to revise our procurement policy to reflect WIA guidelines. It should be noted that although the policy does not reflect WIA guidelines, the agency's practices are even more stringent than WIA guidelines as supported by our procurement paperwork.

## **PAYROLL AND PERSONNEL**

### **10. SASSFA-RWG management adjust payroll expenses for actual hours worked in the subsequent month or at a minimum, on a quarterly basis.**

Our cost allocation plan allows us to charge payroll costs for supervisors and managers using a formula that takes into account the number of participants in each WIA Program. Each fiscal year, quarterly, we prepare program participant reports and use the data to charge payroll. Normally we are using the previous quarter data to charge the current payroll. At the end of the fiscal year, we make a final adjustment, based on the ending actual number of participants served in each program. Our understanding of the recommendation is that the Auditing staff will review the final end of the year adjustments. We also agree that quarterly adjustments, as recommended, will be made for payroll charges.

### **11. SASSFA-RWG management ensure that personnel files are kept current with the required documentation.**

The review report makes the statement, "Subsequent to our review, SASSFA-RWG provided proof of auto insurance and driver's licenses for the two employees." In the two cases where the auto insurance and driver's licenses for staff were questioned information was provided to the auditor's staff to resolve this issue. We contend this documentation was available to the auditors at the time of the on-site review, but this is difficult to determine since the draft report was issued almost a year later from the on-site review. We consider this finding to have already been addressed.

### **12. SASSFA-RWG management ensure that the annual performance evaluations are completed in a timely manner.**

We agree with this finding and are in the process of updating our performance evaluations.

## **Cost Allocation Plan**

### **Recommendation refers to recommendation 15**

We are in agreement with the cost allocation Plan Recommendation. It is our understanding that the Auditors will review the payroll adjustments at their next monitoring visit to SASSFA.

**Prior Year Follow-Up**

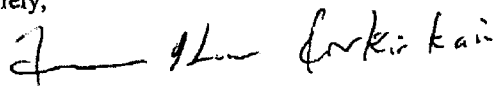
**18. Repay DCSS \$10,953 or obtain approval from DCSS.**

**19. Ensure that supplies are not purchased within the last two months of the contract period without prior approval.**

We are not in agreement with recommendation 18 and 19 which requires SASSFA to request approval from the County for the purchase of supplies within the last two months of the fiscal year. We are specifically not in agreement with the disallowance of \$10,953 for the purchase of computers for our WIA CORE services. We purchased the computers in good faith for the benefit of WIA CORE clients and they have been used for that purpose. Our understanding at the time was the RWGs could purchase supplies such as computers based on the RWG agreement signed by the County and the RWG members. This agreement states that the County should not impose any more requirement on the RWGs than the State of California imposes on the County. The State does not limit the County on the purchase of individual computers during the last two months of the fiscal year. Therefore we do not believe that this requirement applies to SASSFA. Moreover, we have tried to get clarification regarding this issue from the County including asking permission to purchase the equipment retroactively based on the merit of the purpose of the equipment. To date, we have not received a response from the County, although they have indicated that they will respond. We will adhere to the final determination that may be made on this issue by the County.

We appreciate the opportunity to respond to the SASSFA-RWG Fiscal Review prepared by your office, and appreciate the recent efforts of the auditing staff to supply supplementary information for us to more completely understand the review. We will use the information provided from the findings to move forward with the proposed corrective actions. It has been difficult, however, to address findings that were identified almost a year ago, to receive little or no indication of these findings or how to correct them for that time, and to ensure that the information we received can be adequately corrected for the current fiscal year. We hope this will be acknowledged during subsequent reviews. Every agency has room for improvement, but we do feel that, overall, you report points to the ongoing quality of SASSFA's services. Thank you for your time and effort in supporting the ongoing quality of those services.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk Kain", written over a horizontal line.

Kirk Kain

SASSFA Executive Director